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7.	Telephone: (619) 738-9455 Facsimile: (619) 645-2061		
8	Attorneys for Complainant		
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10	BEFORE THE		
11	MEDICAL BOARD OF CALIFORNIA DEPARTMENT OF CONSUMER AFFAIRS		
12	STATE OF C	CALIFORNIA	
13	In the Matter of the Accusation Against:	Case No. 800-2016-025895	
14	DAVID M. MORROW, M.D.	DEFAULT DECISION AND ORDER	
15	116 N. Paul Drive Beverly Hills, CA 90210	[Gov. Code, §11520]	
16	Physician's and Surgeon's Certificate		
17	No. C33963,		
18	Respondent.		
19			
20	FINDINGS OF FACT		
21	1. On or about October 23, 2017, Complainant Kimberly Kirchmeyer, in her official		
22	capacity as the Executive Director of the Medica	ll Board of California, filed Accusation No. 800-	
23	2016-025895 against David M. Morrow, M.D. (Respondent) before the Medical Board of		
24	California. A true and correct copy of the Accusation, the related documents, and Declaration of		
25	Service are attached as Exhibit 1 to the separate accompanying "Default Decision Evidence		
26.	Packet," and are incorporated by reference as if fully set forth herein. ¹		
27	¹ The Exhibits referred to herein, which are t	rue and correct copies of the originals, are contained	
in the separate accompanying "Default Decision Evidence Packet."			

- 2. On or about January 7, 1972, the Medical Board of California (Board) issued Physician's and Surgeon's Certificate No. C33963 to Respondent. (Exhibit 2, Certificate of Licensure.)
- 3. On or about October 23, 2017, Richard M. Acosta (Acosta), an employee of the Board, served by Certified Mail a copy of Accusation No. 800-2016-025895, Statement to Respondent, Notice of Defense, Request for Discovery, and Government Code sections 11507.5, 11507.6, and 11507.7, to Respondent's address of record with the Board, which was and is: 116 N. Paul Drive, Beverly Hills, CA 90210. (Exhibit 3, Declaration of Richard M. Acosta in Support of Default Decision and Order.)
- 4. On or about October 31, 2017, the aforementioned documents were returned by the U.S. Postal Service marked, "Return to Sender, Not Deliverable as Addressed, Unable to Forward." Someone also wrote "Fled the Country" on the envelope. (Exhibit 4, Returned Certified Mail Received by the Board on October 31, 2017.
- 5. Service of the Accusation was effective as a matter of law under the provisions of Government Code section 11505, subdivision (c).
- 6. On or about November 14, 2017, a Courtesy Notice of Default and copies of Accusation No. 800-2016-025895, the related documents, and Declaration of Service were served by Certified, First Class Mail, and e-mail on Respondent at his address of record with the Board, which was and is: 116 N. Paul Drive, Beverly Hills, CA 90210. These documents were also e-mailed to Respondent at the following address: drmorrow@morrowinstitute.com. (Exhibit 5, Declaration of Deputy Attorney General Christine A. Rhee in Support of Default Decision and Order; and Exhibit 6, Courtesy Notice of Default, Accusation No. 800-2016-025895, Statement to Respondent, Notice of Defense, Request for Discovery, Government Code Sections 11507.5, 11507.6, and 11507.7, and Declaration of Service dated November 14, 2017.)
- 7. On or about November 19, 2017, the Attorney General's Office received an automatic e-mail stating that the e-mail sent to drmorrow@morrowinstitute.com was undeliverable.

 (Exhibit 7, E-mail dated November 19, 2017.)

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- 8. On or about November 27, 2017, the Courtesy Notice of Default and copies of Accusation No. 800-2016-025895, the related documents, and Declaration of Service served by Certified Mail were returned by the U.S. Postal Service, marked "unable to forward/for review." Someone also wrote "Fled the Country" on the envelope. (Exhibit 8, Returned Certified Mail Received by the Attorney General's Office on November 27, 2017.)
 - 9. To date, Respondent has not filed a Notice of Defense. (Exhibit 5.)
 - 10. Government Code section 11506 states, in pertinent part:

"

"(c) The respondent shall be entitled to a hearing on the merits if the respondent files a notice of defense, and the notice shall be deemed a specific denial of all parts of the accusation not expressly admitted. Failure to file a notice of defense shall constitute a waiver of respondent's right to a hearing, but the agency in its discretion may nevertheless grant a hearing."

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- 11. Respondent failed to file a Notice of Defense within 15 days after service upon him of the Accusation, and therefore waived his right to a hearing on the merits of Accusation No. 800-2016-025895.
 - 12. California Government Code section 11520 states, in pertinent part:
 - "(a) If the respondent either fails to file a notice of defense or to appear at the hearing, the agency may take action based upon the respondent's express admissions or upon other evidence and affidavits may be used as evidence without any notice to respondent."

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13. Pursuant to its authority under Government Code section 11520, the Board finds Respondent is in default. The Board will take action without further hearing and, based on Respondent's express admissions by way of default and the evidence before it, contained in Exhibits 1 through 12, finds that the allegations in Accusation No. 800-2016-025895 are true and correct.

14. Business and Professions Code section 2227 states:

- "(a) A licensee whose matter has been heard by an administrative law judge of the Medical Quality Hearing Panel as designated in Section 11371 of the Government Code, or whose default has been entered, and who is found guilty, or who has entered into a stipulation for disciplinary action with the board, may, in accordance with the provisions of this chapter:
 - "(1) Have his or her license revoked upon order of the board.
- "(2) Have his or her right to practice suspended for a period not to exceed one year upon order of the board.
- "(3) Be placed on probation and be required to pay the costs of probation monitoring upon order of the board.
- "(4) Be publicly reprimanded by the board. The public reprimand may include a requirement that the licensee complete relevant educational courses approved by the board.
- "(5) Have any other action taken in relation to discipline as part of an order of probation, as the board or an administrative law judge may deem proper.
- "(b) Any matter heard pursuant to subdivision (a), except for warning letters, medical review or advisory conferences, professional competency examinations, continuing education activities, and cost reimbursement associated therewith that are agreed to with the board and successfully completed by the licensee, or other matters made confidential or privileged by existing law, is deemed public, and shall be made available to the public by the board pursuant to Section 803.1."

15. Section 2234 of the Code, states, in pertinent part:

"The board shall take action against any licensee who is charged with unprofessional conduct. In addition to other provisions of this article, unprofessional conduct includes, but is not limited to, the following:

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"(a) Violating or attempting to violate, directly or indirectly, assisting in	or	
abetting the violation of, or conspiring to violate any provision of this chapter	[Cha	pter
5, the Medical Practice Act].		

"(e) The commission of any act involving dishonesty or corruption which is substantially related to the qualifications, functions, or duties of a physician and surgeon.

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- 16. Unprofessional conduct under Business and Professions Code section 2234 is conduct which breaches the rules or ethical code of the medical profession, or conduct which is unbecoming of a member of good standing of the medical profession, and which demonstrates an unfitness to practice medicine. (*Shea v. Board. of Medical Examiners* (1978) 81 Cal.App.3d 564, 575.)
 - 17. Section 2236 of the Code states, in pertinent part:
 - "(a) The conviction of any offense substantially related to the qualifications, functions, or duties of a physician and surgeon constitutes unprofessional conduct within the meaning of this chapter [Chapter 5, the Medical Practice Act]. The record of conviction shall be conclusive evidence only of the fact that the conviction occurred.

"(c) The clerk of the court in which a licensee is convicted of a crime shall,

- within 48 hours after the conviction, transmit a certified copy of the record of conviction to the board. The division may inquire into the circumstances surrounding the commission of a crime in order to fix the degree of discipline or to determine if the conviction is of an offense substantially related to the qualifications, functions, or duties of a physician and surgeon.
- "(d) A plea or verdict of guilty or a conviction after a plea of nolo contendere is deemed to be a conviction within the meaning of this section and Section 2236.1. The

record of conviction shall be conclusive evidence of the fact that the conviction occurred."

18. California Code of Regulations, title 16, section 1360, states:

"For the purposes of denial, suspension or revocation of a license, certificate or permit pursuant to Division 1.5 (commencing with Section 475) of the code, a crime or act shall be considered to be substantially related to the qualifications, functions or duties of a person holding a license, certificate or permit under the Medical Practice Act if to a substantial degree it evidences present or potential unfitness of a person holding a license, certificate or permit to perform the functions authorized by the license, certificate or permit in a manner consistent with the public health, safety or welfare. Such crimes or acts shall include but not be limited to the following: Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate any provision of the Medical Practice Act."

- 19. Respondent has subjected his Physician's and Surgeon's Certificate No. C33963 to disciplinary action by reason of the following:
- a. On or about September 2, 2015, Respondent was federally indicted in the case entitled, *United States of America v. The Morrow Institute Medical Group, Inc., David M. Morrow, and Linda Morrow, Defendants*, Case No. SACR15-00099. Respondent was charged with the following: 20 counts of a violation of 18 U.S.C. §§ 1341, 2(a), 2(b) [mail fraud]; one (1) count of a violation of 18 U.S.C. § 1349 [conspiracy to commit mail fraud]; four (4) counts of a violation of 26 U.S.C. § 7206(1) [making or subscribing to a false tax return]; and one (1) count of a violation of 42 U.S.C. §§ 1320d-6(a)(3) and (b)(1) [unlawful disclosure of individually identifiable health information]. (Exhibit 9, Indictment for Case No. SACR15-00099.)
- b. On or about February 16, 2016, Respondent signed a plea agreement in the case entitled, *United States of America v. The Morrow Institute Medical Group, Inc., David M. Morrow, and Linda Morrow, Defendants*, Case No. SACR-15-00099, admitting to the factual basis for Counts 21 and 22 of the Indictment, conspiracy to commit mail fraud and making or subscribing to a false tax return. (Exhibit 10, Plea Agreement for Case No. SACR15-00099.)

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- c. Respondent participated in a scheme to obtain money from the insurance companies by means of false or fraudulent pretenses. More specifically, Respondent submitted altered documents to the insurance companies in support of billings Respondent submitted to the insurance companies. Such altered documents made and facts omitted as part of the scheme were material to the insurance companies' decision to pay claims. While submitting these claims, Respondent had the intent to defraud these insurance companies. Respondent later admitted that the loss from the Respondent's scheme is valued at \$3,491,053.65. (Exhibit 10.)
- d. On or about March 18, 2016, Respondent formally changed his plea from not guilty to guilty for Counts 21 and 22 of the Indictment for Case No. SACR15-00099. (Exhibit 11, Criminal Minutes dated March 18, 2016 for Case No. SACR15-00099.)
- e. On or about October 2, 2017, Respondent was sentenced *in absentia* for his guilty plea to Counts 21 and 22 of the Indictment. Respondent's sentence included, but was not limited to commitment to the custody of the Bureau of Prisons for a term of 240 months to be followed by supervised release for a term of three (3) years, restitution, mental health treatment, outpatient substance abuse treatment, and abstention from the use of alcohol and the unlawful use of controlled substances. (Exhibit 12, Criminal Minutes dated September 29, 2017 and Judgment and Probation/Commitment Order for Case No. SACR15-00099.)

DETERMINATION OF ISSUES

- 1. Based on the foregoing findings of fact, Respondent David M. Morrow, M.D., has subjected his Physician's and Surgeon's Certificate No. C33963 to discipline.
- 2. Pursuant to the authority under Government Code section 11520, and based on the evidence before it, the Board hereby finds that the charges and allegations contained in Accusation No. 800-2016-025895, and the Findings of Fact contained in paragraphs 1 through 19, above, and each of them, separately and severally, are true and correct. A true and correct copy of Accusation No. 800-2016-025895, the related documents, and the declaration of service are attached as Exhibit 1.
 - 3. The agency has jurisdiction to adjudicate this case by default.

1	Xavier Becerra		
2	Attorney General of California ALEXANDRA M. ALVAREZ		
3	Supervising Deputy Attorney General CHRISTINE A. RHEE STATE OF CALIFORNIA		
4	Deputy Attorney General State Bar No. 295656 SACRAMENTO OF CALIFORNIA		
5	600 West Broadway, Suite 1800 San Diego, CA 92101 BY: ANALYST		
6	P.O. Box 85266 San Diego, CA 92186-5266		
7	Telephone: (619) 738-9455 Facsimile: (619) 645-2061		
8	Attorneys for Complainant		
9			
10	BEFORE THE		
11	MEDICAL BOARD OF CALIFORNIA DEPARTMENT OF CONSUMER AFFAIRS		
12	STATE OF CALIFORNIA		
13	In the Matter of the Accusation Against: Case No. 800-2016-025895		
14	DAVID M. MORROW, M.D. ACCUSATION		
15	116 N. Paul Drive Beverly Hills, CA 90210		
16	Physician's and Surgeon's Certificate		
17	No. C33963,		
18	Respondent.		
19			
20	Complainant alleges:		
21	<u>PARTIES</u>		
22	Kimberly Kirchmeyer (Complainant) brings this Accusation solely in her official		
23	capacity as the Executive Director of the Medical Board of California.		
24	2. On or about January 7, 1972, the Medical Board issued Physician's and Surgeon's		
25	Certificate No. C33963 to David M. Morrow, M.D. (Respondent). The Physician's and		
26	Surgeon's Certificate was in full force and effect at all times relevant to the charges brought		
27	herein and will expire on October 31, 2018, unless renewed.		
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	ACCUSATION (800-2016-025895)		

3. On February 7, 2017, an Interim Order Imposing Practice Restriction was issued, immediately restricting Respondent's Physician's and Surgeon's Certificate No. C33963 from practicing medicine with the exception of his then-current practice at Lestonnac Free Clinic in Orange, Los Angeles, Riverside, and San Bernardino counties. Respondent's Physician's and Surgeon's Certificate No. C33963 remains restricted as of the date of the filing of this Accusation.

JURISDICTION

- 4. This Accusation is brought before the Medical Board of California (Board), under the Department of Consumer Affairs, under the authority of the following laws. All section references are to the Business and Professions Code (Code) unless otherwise indicated.
 - 5. Section 2227 of the Code states:
 - "(a) A licensee whose matter has been heard by an administrative law judge of the Medical Quality Hearing Panel as designated in Section 11371 of the Government Code, or whose default has been entered, and who is found guilty, or who has entered into a stipulation for disciplinary action with the board, may, in accordance with the provisions of this chapter:
 - "(1) Have his or her license revoked upon order of the board.
 - "(2) Have his or her right to practice suspended for a period not to exceed one year upon order of the board.
 - "(3) Be placed on probation and be required to pay the costs of probation monitoring upon order of the board.
 - "(4) Be publicly reprimanded by the board. The public reprimand may include a requirement that the licensee complete relevant educational courses approved by the board.
 - "(5) Have any other action taken in relation to discipline as part of an order of probation, as the board or an administrative law judge may deem proper.
 - "(b) Any matter heard pursuant to subdivision (a), except for warning letters, medical review or advisory conferences, professional competency examinations, continuing education activities, and cost reimbursement associated therewith that

are agreed to with the board and successfully completed by the licensee, or other matters made confidential or privileged by existing law, is deemed public, and shall be made available to the public by the board pursuant to Section 803.1."

6. Section 2234 of the Code, states, in pertinent part:

"The board shall take action against any licensee who is charged with unprofessional conduct. In addition to other provisions of this article, unprofessional conduct includes, but is not limited to, the following:

- "(a) Violating or attempting to violate, directly or indirectly, assisting in or abetting the violation of, or conspiring to violate any provision of this chapter [Chapter 5, the Medical Practice Act].
- "(e) The commission of any act involving dishonesty or corruption which is substantially related to the qualifications, functions, or duties of a physician and surgeon.
- 7. Unprofessional conduct under Business and Professions Code section 2234 is conduct which breaches the rules or ethical code of the medical profession, or conduct which is unbecoming of a member of good standing of the medical profession, and which demonstrates an unfitness to practice medicine. (*Shea v. Board. of Medical Examiners* (1978) 81 Cal.App.3d 564, 575.)
 - 8. Section 2236 of the Code states, in pertinent part:
 - "(a) The conviction of any offense substantially related to the qualifications, functions, or duties of a physician and surgeon constitutes unprofessional conduct within the meaning of this chapter [Chapter 5, the Medical Practice Act]. The record of conviction shall be conclusive evidence only of the fact that the conviction occurred.
 - "(c) The clerk of the court in which a licensee is convicted of a crime shall, within 48 hours after the conviction, transmit a certified copy of the record of

conviction to the board. The division may inquire into the circumstances surrounding the commission of a crime in order to fix the degree of discipline or to determine if the conviction is of an offense substantially related to the qualifications, functions, or duties of a physician and surgeon.

- "(d) A plea or verdict of guilty or a conviction after a plea of nolo contendere is deemed to be a conviction within the meaning of this section and Section 2236.1. The record of conviction shall be conclusive evidence of the fact that the conviction occurred."
- 9. California Code of Regulations, title 16, section 1360, states:

"For the purposes of denial, suspension or revocation of a license, certificate or permit pursuant to Division 1.5 (commencing with Section 475) of the code, a crime or act shall be considered to be substantially related to the qualifications, functions or duties of a person holding a license, certificate or permit under the Medical Practice Act if to a substantial degree it evidences present or potential unfitness of a person holding a license, certificate or permit to perform the functions authorized by the license, certificate or permit in a manner consistent with the public health, safety or welfare. Such crimes or acts shall include but not be limited to the following: Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate any provision of the Medical Practice Act."

FIRST CALISE FOR DISCIPLINE

(Conviction of a Crime Substantially Related to the Qualifications, Functions or Duties of a Physician and Surgeon)

10. Respondent has subjected his Physician's and Surgeon's Certificate No. C33963 to disciplinary action under sections 2227 and 2234, as defined by section 2236, subdivision (a), and section 1360 of title 16 of the California Code of Regulations, in that he has been convicted of a crime substantially related to the qualifications, functions and duties of a physician and surgeon. The circumstances are as follows:

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- 11. From on or about January 2007¹ and continuing through on or about March 2011, Respondent operated a surgery center, the Morrow Institute and Specialty Surgeons, Inc. and Stellar Surgeries Specialties, Inc., in Rancho Mirage, California. Cosmetic and other types of surgeries were performed at the surgery center, including abdominoplasty, tummy tucks, rhinoplasty, septoplasty, breast augmentations, hernia repairs, gynecological surgery, and vein procedures.
- 12. From on or about January 2007 and continuing through on or about March 2011, certain cosmetic surgeries were billed to insurance companies as "medically necessary" so that insurance companies would pay for them.
- 13. Respondent participated in a scheme to obtain money from the insurance companies by means of false or fraudulent pretenses. More specifically, Respondent submitted altered documents to the insurance companies in support of billings Respondent submitted to the insurance companies. Such altered documents made and facts omitted as part of the scheme were material to the insurance companies' decision to pay claims. While submitting these claims, Respondent had the intent to defraud these insurance companies. Respondent later admitted that the loss from the Respondent's scheme is valued at \$3,491,053.65.
- 14. On or about September 2, 2015, Respondent was federally indicted in the case entitled, United States of America v. The Morrow Institute Medical Group, Inc., David M. Morrow, and Linda Morrow, Defendants, Case No. SACR15-00099. Respondent was charged with the following: 20 counts of a violation of 18 U.S.C. §§ 1341, 2(a), 2(b) [mail fraud]; one (1) count of a violation of 18 U.S.C. § 1349 [conspiracy to commit mail fraud]; four (4) counts of a violation of 26 U.S.C. § 7206(1) [making or subscribing to a false tax return]; and one (1) count of a violation of 42 U.S.C. §§ 1320d-6(a)(3) and (b)(1) [unlawful disclosure of individually identifiable health information].
- 15. On or about February 16, 2016, Respondent signed a plea agreement in the case entitled, United States of America v. The Morrow Institute Medical Group, Inc., David M.

¹ Conduct occurring more than seven (7) years from the filing date of this Accusation is for informational purposes only and is not alleged as a basis for disciplinary action.

Morrow, and Linda Morrow, Defendants, Case No. SACR-15-00099, admitting to the factual basis for Counts 21 and 22 of the Indictment, conspiracy to commit mail fraud and making or subscribing to a false tax return.

- 16. On or about March 18, 2016, Respondent formally changed his plea from not guilty to guilty for Counts 21 and 22 of the Indictment for Case No. SACR15-00099.
- 17. On or about October 2, 2017, Respondent was sentenced for his guilty plea to Counts 21 and 22 of the Indictment. Respondent's sentence included, but was not limited to commitment to the custody of the Bureau of Prisons for a term of 240 months to be followed by supervised release for a term of three (3) years, restitution, mental health treatment, outpatient substance abuse treatment, and abstention from the use of alcohol and the unlawful use of controlled substances.

SECOND CAUSE FOR DISCIPLINE

(Commission of Any Act Involving Dishonesty or Corruption that is Substantially Related to the Qualifications, Functions, or Duties of a Physician and Surgeon)

18. Respondent has further subjected his Physician's and Surgeon's Certificate No. C33963 to disciplinary action under sections 2227 and 2234, subdivision (e), of the Code, in that he committed dishonest or corrupt acts substantially related to the qualifications, functions and duties of a physician and surgeon, as more particularly alleged in paragraphs 11 through 17, above, which are hereby incorporated by reference and re-alleged as if fully set forth herein.

THIRD CAUSE FOR DISCIPLINE

(General Unprofessional Conduct)

19. Respondent has further subjected his Physician's and Surgeon's Certificate No. C33963 to disciplinary action under sections 2227 and 2234, in that he has engaged in conduct which breaches the rules or ethical code of the medical profession, or conduct which is unbecoming to a member in good standing of the medical profession as more particularly alleged in paragraphs 11 through 18, above, which are hereby incorporated by reference and re-alleged as if fully set forth herein.

PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Board issue a decision:

- 1. Revoking or suspending Physician's and Surgeon's Certificate No. C33963, issued to Respondent David M. Morrow, M.D.;
- 2. Revoking, suspending or denying approval of Respondent David M. Morrow, M.D.'s authority to supervise physician assistants, pursuant to section 3527 of the Code, and advanced practice nurses;
- 3. Ordering Respondent David M. Morrow, M.D., if placed on probation, to pay the Board the costs of probation monitoring; and
 - 4. Taking such other and further action as deemed necessary and proper.

DATED: October 23, 2017

KIMBERLY KIRCHMEYER

Executive Director Medical Board of California

State of California Complainant

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